

AGENDA

Port Freeport
Port Commission
Regular Meeting
Thursday, May 14, 2020, 1:00 pm - 5:00 pm
Via Video/Teleconference - Administration Building - 1100 Cherry Street - Freeport



Notice is hereby given that in accordance with the order the Office of the Governor issued March 16, 2020, and due to imminent threat to public health and safety and urgent public necessity the Port Freeport Port Commission will conduct a meeting on Thursday, May 14, 2020 at 1:00 p.m. in the Administration Building, 1100 Cherry Street, Freeport, Texas in part by video/teleconference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19).

The meeting agenda and agenda packet are posted online at www.portfreeport.com.

You can join the meeting from a computer, tablet or smartphone (For Document Viewing).

<https://global.gotomeeting.com/join/841999829>

You can also dial in using your phone (For Audio Listening and Speaking).

United States (Toll Free): [1 877 309 2073](tel:18773092073)

Access Code: 841-999-829

All participants will be muted until the meeting begins.

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1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation.
3. Roll Call.
4. Public Comment
(Comments will be limited to 5 minutes per guest)
5. Approval of minutes from the Regular Meeting held April 23, 2020.
6. Receive report from Executive Director/CEO and/or Port staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, Port tenant updates, USCOE, and other related port affairs.
7. Update regarding upcoming events, including CAP (Citizens Advisory Panel) and TACFT (Take-A-Child Fishing Tournament).
8. Approval of a Professional Services Agreement with HDR, Inc. for testing, design and permitting of Reaches 1 and 4.
9. Approval of a Resolution authorizing execution of Project Partnership Agreement between The Department of the Army and Port Freeport relating to the Freeport Harbor Channel Improvement Section 204 Project.
10. Approval of an Electrical Easement with CenterPoint Energy.
11. Approval of an extension to the Security Services Agreement with Sunstates Security, LLC for a term of two years through May 31, 2022.

12. Approval to increase Purchase Order to CBRE, Inc. in the amount of \$150,000.00, for a total amount of \$250,000.00.
13. Approval of a Purchase Contract for property located at 421 E. Broad Street.
14. Discuss and consider granting authority to Executive Director/CEO Phyllis Saathoff to execute any and all documents necessary and required by Stewart Title for the purchase/exchange of the following properties:
230 E. 6th Street, Freeport, TX (East End Property) and 106 S. Avenue B, Freeport, TX (Avenue B Property)
510 E. Broad Street, Freeport, TX (East End Property) and 510 W. 1st Street, TX (W. 1st Property)
15. Discussion regarding the state of the economy and impacts to the FY 2020 Budget, Cash Flow Forecast, Capital Project Financing and Debt Capacity.
16. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:
 - A. Under authority of Section 551.071 (Consultation with Attorney):
 1. Consultation with attorney regarding legal matters arising out of Reimbursement Agreement between Port Freeport, Brazoria County and Fort Bend County.
 2. Consultation with attorney and discussion regarding Special District Local Laws Code Title 5 Transportation, Subtitle A Navigation District and Port Authorities, Chapter 5002 Subchapter A.
 - B. Under authority of Section 551.072 (Deliberation of Real Property Matters) for discussion regarding:
 1. Discussion regarding the potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the area known as the East End of Freeport and bordered by or adjacent to the following streets: FM 1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
 2. The potential purchase, exchange, lease or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5 and 7.
 3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 6, 7, 14 and 30.
 - C. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:
 1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.
 - D. Under authority of Section 551.074 (Deliberation of Personnel Matters) for discussion regarding:
 1. Deliberation regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee, including but not limited to: Executive Director/CEO.
17. RECONVENE OPEN SESSION to review and consider the following:
18. Approval of budget increase for 24/7 Communications Center coverage and additional security at Gate 4.
19. Discuss and consider advance funding to the Brazoria-Fort Bend Rail District and a potential FOURTH Amendment to Reimbursement Agreement between Port Freeport, Brazoria County and Fort Bend County.
20. Adjourn.

The Port Commission does not anticipate going into a closed session under Chapter 551 of the Texas Government Code at this meeting for any other items on the agenda, however, if necessary, the Port Commission may go into a closed session as permitted by law regarding any item on the agenda.

With this posted notice, Port Commissioners have been provided certain background information on the above listed agenda items. Copies of this information can be obtained by the public at the Port Administrative offices at 1100 Cherry Street, Freeport, TX.



Phyllis Saathoff, Executive Director/CEO
PORT FREEPORT

Minutes of Meeting
April 23, 2020
Via Teleconference

Notice is hereby given that in accordance with the order the Office of the Governor issued March 16, 2020, and due to imminent threat to public health and safety and urgent public necessity the Port Freeport Port Commission will conduct a meeting on Thursday, April 23, 2020 at 1:00 p.m. in the Administration Building, 1100 Cherry Street, Freeport, Texas in part by teleconference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19).

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Commissioners present:

Mr. Shane Pirtle, Chairman
Mr. Paul Kresta, Vice Chairman
Mr. Rudy Santos, Secretary
Mr. John Hoss, Asst. Secretary
Mr. Ravi Singhania, Commissioner
Mr. Dan Croft, Commissioner

Staff Members Present:

Mr. Jason Cordoba, Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Al Durel, Director of Operations
Mr. Jason Hull, Director of Engineering
Mr. Chris Hogan, Director of Protective Services
Mr. Jason Miura, Director of Business & Economic Development
Ms. Missy Bevers, Executive Assistant
Mr. Brandon Robertson, Network Systems Manager
Ms. Lauren McCormick, Public Affairs Manager
Ms. Mary Campus, Controller
Mr. Mike Wilson, Director of Business Development

Also, present via teleconference:

Ms. Jackie Ming, Weeks Marine
Mr. Will Wachel, WSP
Mr. Marcelo Moacyr, BGE, Inc.
Mr. Bobby Fuller, Texas Port Ministry
Mr. Jeff Taylor, Freese & Nichols
Mr. Rob Giesecke

Commissioner Pirtle stated the following information...

Today's date is April 23, 2020, and the time is 1:00 p.m. This is the regular meeting of the Commissioners of Port Freeport. I am Shane Pirtle, Port Commission Chairman. We are conducting this meeting by telephone conference pursuant to Governor Abbott's order suspending certain provisions of the Texas Open Meetings Act in order to minimize the impact of the coronavirus outbreak. This meeting is being recorded as required by the Texas Open Meetings Act. Following today's meeting written minutes and this recording will be made available to the public.

With the posting of today's meeting a toll-free call in number was indicated on the agenda, along with the agenda packet. Both may be found on the Port's website www.portfreeport.com. Additionally, as posted on the agenda, the public may join the meeting from a computer, tablet or smartphone for audio listening and document viewing only. For speaking, participants must dial in by phone using the toll-free call in number.

In the event any member of the public is having any technical difficulty during the meeting, please call (979) 233-2667, press zero and someone will do the best they can to assist you. Please state you need technical assistance regarding the Port Commission Teleconference Meeting.

Being considerate of all participants on this call today, we respectfully request everyone "mute" their phones unless you are speaking. This will prevent unintended disruptions from background noises.

As required by law and as a commitment to transparency we continue to include a public comment section with our meeting. If you would like to participate in the public comment section of our meeting the general guidelines and rules still apply. Those guidelines being:

- Each individual will be permitted to speak for five (5) minutes.
- Members of the public will only be permitted to speak during the posted public comment section.
- Members of the public will not be permitted to participate during agenda items.
- Commissioners cannot engage in discussion with members of the public during public comment.

Please be reminded to speak during the public comment section today, participants must join the meeting using the toll-free call in number.

An Executive Session was noticed on the published agenda. It will be announced prior to this body going into Executive Session. During Executive Session the public will not be permitted to hear the meeting, as is the case under the Texas Open Meetings Act. Following Executive Session, the

board will resume the public meeting and consider the two posted agenda items before adjourning the public meeting.

A roll call will be taken to record the Commissioners, staff and legal counsel in attendance. The Commissioners, staff and legal counsel will announce their name before they speak each time. After each item on the agenda is introduced, I will call upon each commissioner individually for questions or comments and for their vote on each motion at the appropriate time.

Should a participating commissioner be temporarily disconnected, the meeting will be paused to allow time for the commissioner to rejoin the teleconference meeting.

We will now begin our meeting.

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Shane Pirtle, Commissioner
3. Roll Call – Commissioner Pirtle noted that Commissioners Santos, Hoss, Kresta and Singhania were present online as well as Port’s legal counsel Jason Cordoba. He also noted those present in the board room (at a safe distance) included himself, Commissioner Croft and Phyllis Saathoff – CEO. Ms. Saathoff noted additional staff in the room including Chris Hogan – Director of Protective Services, Al Durel – Director of Operations, Rob Lowe - CFO, Mary Campus - Controller, Jason Miura – Director of Business Development, Jason Hull – Director of Engineering, Missy Bevers, Executive Assistant and Brandon Robertson – Network Systems Manager. Staff participating online are Lauren McCormick – Public Affairs Manager and Mike Wilson – Director of Freight Mobility & Business Development.
4. Public Comment – There were no public comments.
5. Approval of minutes from the Regular Meeting held April 9, 2020.

A motion was made by Commissioner Croft to approve the minutes as presented. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

6. Receive reports from Executive Director/CEO and/or staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, Port tenant updates, USCOE, and other related port affairs.

Executive Director/CEO

Ms. Saathoff reported no new or suspected cases have been reported at the Port. Staff continues to conduct weekly update calls to tenants and Port partners to review procedures in place to keep the workforce healthy at the Port. Activity at the Port continues to be very robust with a higher than normal number of vessels calling in March and April. Grimaldi’s new service began its operation which has created additional traffic at the gates and increased berth utilization within the inner harbor as well. Overall, things have been good both financially, but going forward it is expected there will be lagging effects from reduced consumer spending from the current COVID situation and the decline in the oil market. Proactive steps have been taken internally to limit expenditures where possible for the

remainder of the fiscal year. Work continues at the Corps to get the Project Partnership Agreement (PPA) for the Freeport Harbor Channel Improvement Project transmitted to Southwest Division for review and approval. Staff still anticipates the MOU for moving forward with engineering and design of Reaches 1 and 4 of the FHCIP to be signed at Division any day now.

Chief Financial Officer

Mr. Lowe gave a financial overview where he indicated that Operating Revenues were at \$19.4M which is less than 1% variance from plan. On the expense side, we are \$1.7M favorable to plan primarily driven by Professional Services and Wages. Rob indicated that some of the savings would be maintained through year end while some was based on timing. He also indicated that all expense categories were being looked at for ways to maintain the current savings. For Operating Income, the current \$10.8M results are ahead of the \$9.3M plan. He indicated that he anticipates that the results will slow in the second half of the year but still have a reasonable chance to achieve the full year plan of \$15.9M.

Director of Engineering

Mr. Hull shared current pictures of the demolition and excavation work at the Berth 8 project and Parcel 14 asphalt work which is approximately 50% complete. Mr. Hull also reported the piles for Berth 8 will be delivered in three shipments with the first arriving in June, then August and December.

Director of Operations

Mr. Durel reported the Port handled a total of 44 vessels in March with 13 of them belonging to Freeport LNG and 3 Tenaris vessels discharging bars. A line item was added to the written report to reflect the number of deepwater arrivals to the entire Port. In March, there were 111 arrivals to the harbor. Fiscal year totals include 49 LNG vessels and 220 total vessels, as compared to previous year total of 158. Mr. Durel also updated the Board on the ZPMC Gantry Crane stating the transformer has been delivered to Alamo for repair however, the timeline for completion is still unknown due to COVID19. Staff has started budget work for the operations, safety and security departments. He noted the review process will be different for them in the coming year due to the Port's growth. COVID-19 continues to consume most of Mr. Hogan's day. Recently, he received additional PPE including 1500 N95 masks and 5000 gloves which will be utilized mostly at the gates. Staff recently participated on a Lone Star Harbor Safety Committee conference call meeting where the Brazos Pilots gave an update on the ship channel navigation charts and Jason Hull gave an update on the dredging project.

Commissioner Kresta confirmed the Port owns the land Freeport LNG operates its facility on. He also inquired about Seaway. Ms. Saathoff stated staff has been discussing internally how to report on the tenants who directly operate the berths at their facility. The Seaway terminal is not included in the report as it does not have the same revenue impact on financials.

Director of Business & Economic Development

Mr. Miura shared pictures of project cargo that recently arrived at the Port for a Praxair-Linde project in Sweeny. Mammoet will handle the heavy hauling. The first train for Vulcan is now scheduled to arrive April 30 at Parcel 14 with 100 cars of aggregate rock. He also reported that Grimaldi will begin moving containers through the Port, primarily focused on resin exports.

7. Approval of financial reports presented for the period ending March 31, 2020.

A motion was made by Commissioner Singhania to approve the reports. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

8. Receive update from staff regarding possible MARAD Grant opportunity.

Mr. Miura stated that staff has repackaged a previous grant application to submit to MARAD for the FY 2020 PIDP Grant that covers the Velasco Container Terminal Infrastructure Project which Mr. Miura highlighted in a photo to the Board. The project's total cost is \$23.5 million. Staff is proposing a 70/30 split where 70% (\$16,450,000) of the cost would be to the federal government and the Port's commitment would be 30% or \$7,050,000 million. If there are no objections from the Board, staff will proceed with submitting the application.

Commissioner Hoss questioned if this grant money was specific to an existing and/or prospective customer or for general expansion. Mr. Miura stated this would be a part of the Port's capital plan and is not specific to an existing or future customer. The capital plan outlines the relocation of the track and further development of backlands on the container terminal. Commissioner Hoss also inquired about the timeline of the project. Ms. Saathoff stated that grant awards typically do not come out for six months or more. We would not anticipate an announcement until February of 2021. There are also several months after the announcement before funds are released for construction. This would likely be a project the Port wouldn't advance until 2022.

Commissioner Singhania questioned if staff applies and receives the grant, is the Port committed to do the project by a certain timeline, or will it be at the Port's option. Ms. Campus stated that assuming the Port was awarded the grant, there is a timeline for construction project however, you are given the opportunity to decline the grant when it is awarded.

9. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:

A. Under authority of Section 551.071 (Consultation with Attorney) for discussion regarding:

1. Consultation with attorney regarding legal matters arising out of Reimbursement Agreement between Port Freeport, Brazoria County and Fort Bend County.

B. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. Discussion regarding the potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the are known as the East End of Freeport and bordered by or adjacent to the following streets: FM1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
2. The potential purchase, exchange, lease or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5 and 7.

3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 6, 7 and 14.
- C. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:
 1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.
- D. Under authority of Section 551.074 (Deliberation of Personnel Matters) for discussion regarding:
 1. Discussion regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee, including but not limited to: Executive Director/CEO.
10. RECONVENE OPEN SESSION to review and consider the following:
11. Discuss and consider advance funding to the Brazoria-Fort Bend Rail District and a potential FOURTH Amendment to Reimbursement Agreement between Port Freeport, Brazoria County and Fort Bend County.

Ms. Saathoff stated staff received a request from the Brazoria-Fort Bend Rail District for advance funding in order to pay their final invoices to HDR for the work completed on the feasibility study. Once those invoices are paid, they (the invoices) would be submitted to TxDOT (under the grant) for grant reimbursement. The Port or whoever provides the advance funding would be reimbursed. In order to do this, it requires a Fourth Amendment to the Reimbursement Agreement that has been executed between the sponsoring agencies of Fort Bend County, Brazoria County and Port Freeport. This matter has been communicated to the other agencies however feedback has not been received; therefore, it is staff's recommendation this item be tabled to the next meeting.

12. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:44 PM.

Shane Pirtle, Chairman

Paul Kresta, Vice Chairman

Rudy Santos, Secretary

John Hoss, Asst. Secretary

Ravi K. Singhanian, Commissioner


Dan Croft, Commissioner



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

FROM: Jason Hull, P.E. 
Director of Engineering

DATE: May 14, 2020

SUBJECT: Approval of a Professional Services Agreement with HDR, Inc. for
Reaches 1 and 4 of the Freeport Harbor Channel Improvement Project

Attached is a PSA with HDR, Inc. for geotechnical and sediment sampling, testing, design, and project management coordination with the Corps of Engineers. This work will be cost shared with the Corps.

I have reviewed the fee and feel it is commensurate with the work involved. I also believe that HDR can deliver the work products faster than the Corps of Engineers and I recommend approval of this PSA.

PORT COMMISSION

SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

**RESOLUTION AUTHORIZING EXECUTION OF
PROJECT PARTNERSHIP AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
PORT FREEPORT
RELATING TO THE
FREEPORT HARBOR CHANNEL IMPROVEMENT SECTION 204 PROJECT**

At a special meeting of the Port Commission of Port Freeport held at the Administration Building of the Port at 1100 Cherry Street, Freeport, Texas, on May 14, 2020, among other business, on motion duly made and seconded, the following resolution was passed and adopted:

FINDINGS:

1. Due and proper notice of the date, time, place, and purpose of this meeting has been duly given in accordance with the provisions of the Texas Open Meetings Act, and such meeting has been conducted in accordance with said Open Meetings Act.
2. Construction of the Freeport Harbor Channel Improvement Project (the “FHCIP”) was authorized by Section 7002 (4) of the Water Resources Reform and Development Act of 2014, Public Law 113-121. Port Freeport is participating in the FHCIP as a “Non-Federal Sponsor.”
3. The Department of the Army has prepared a Project Partnership Agreement for the FHCIP (the “Agreement”), which sets forth the terms and conditions on which the Department of the Army will undertake construction of the FHCIP using funds appropriated by the Congress and funds provided by the Non-Federal Sponsor.
4. After review and consideration of the Agreement, the Port Commission finds and determines that the terms of the Agreement are acceptable, and execution of the Agreement should be approved.

NOW, THEREFORE, BE IT ORDERED AND RESOLVED, that the form and substance of the proposed Agreement be, and are hereby, authorized and approved; and

BE IT FURTHER ORDERED AND RESOLVED, that Phyllis Saathoff, the Executive Director/CEO of Port Freeport be, and is hereby, singularly authorized and directed to execute and deliver the Agreement, substantially in the form presented at this meeting and with such nonmaterial changes as may be approved by the official executing same, their execution thereof to constitute conclusive evidence of such approval; and

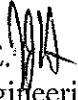
BE IT FURTHER ORDERED AND RESOLVED, that Peter G. Nemeth is hereby designated and appointed as “principal legal officer” for Port Freeport for the sole purpose of executing the Certificate of Authority attached to the Memorandum of Agreement.



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

FROM: Jason Hull, P.E. 
Director of Engineering

DATE: May 5, 2020

SUBJECT: CenterPoint request for easement

CenterPoint is requesting an easement in which to install electrical powerlines to connect their existing Jones Creek substation site to an existing electrical easement as shown in the attached easement.

I recommend approval of the easement.

PORT COMMISSION

SHANE PIRTLE, CHAIRMAN; PAUL KHESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



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April 23, 2020

Sunstates Security LLC
Attn: Kathryn Burrell, CEO
801 Corporate Center Drive, Suite 110
Raleigh, NC 27607

Sent Via Certified Mail

Re: Security Services Agreement with Port Freeport dated April 13, 2017 ("Agreement")
Contract Extension Notification

Dear Ms. Burrell:

Pursuant to Section 5A of the Agreement, **Port Freeport** hereby notifies **Sunstates Security, LLC** that because neither party provided notice of termination, the term of the Agreement is extended **May 31, 2022**. In the event Sunstates Security, LLC believes the Agreement term is not extended to that date, please notify the undersigned in writing.

Thank you for your high-quality service and we look forward to another two (2) years partnering with Sunstates Security to assure a high level of security for our port community.

Sincerely,

Phyllis Saathoff

PORT COMMISSION

SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



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MEMORANDUM

TO: Port Commission

FROM: Phyllis Saathoff, Executive Director / CEO

DATE: May 11, 2020

SUBJECT: Purchase Order Increase to CBRE, Inc.

In January 2020, the Port Commission approved the execution of appraisal service contracts with CBRE, Inc. and Bolton, Baer and White, Inc. Appraisal work was to be split between them, and each firm was issued a purchases order not to exceed \$100,000.

Bolton, Baer and White, Inc. notified the Port in March that they were unable to perform their half of the appraisals. CBRE, Inc. confirmed they were able to absorb the additional appraisal work. The contract provides for volume discounts, so there will be a reduction in total appraisal cost.

Staff is requesting an increase of \$150,000 to the CBRE Purchase Order: \$90,000 for the additional appraisal services and \$60,000 for expert witness services to be paid hourly as contracted. The Bolton, Baer and White, Inc. purchase order will be cancelled.

A PURCHASE

421 E BROAD STREET BLOCK 14, LOT 11-12

Record title to the land appears to be vested in 4 owners (interests). The 4 owners are all willing sellers.

There are no title issues on this property; updated title commitment is attached.

This property is a 7000 square foot lot with a 1092 square foot house constructed in 1950; this house is currently occupied by one of the sellers.

Purchase price of the house is \$50,232.



A PROPOSED EXCHANGE
230 E 6TH STREET / BLOCK 27 LOT 9
For
106 S AVENUE B / BLOCK 8 LOT 3-4

Record title to the land on the effective date appears to be vested in both property owners' names. Title Commitment is clear of any curatives or liens.

Property owners proposed an Exchange / Swap with Port Freeport of their 230 E 6th Street property for a future home at 106 S Avenue B (106 S Avenue B is owned by Port Freeport). EE Property Owners' property includes 2 houses on this 7000 square foot lot.

These property owners have selected local builder, Guillermo Garcia to construct their future home. Guillermo Garcia will construct a 3-bedroom, 2 bath house for \$160,000.00. Property owners also request a fence allowance not to exceed \$2500.

Brazoria County CAD of 230 E 6th Street



**A PURCHASE
of
510 E BROAD / BLOCK 2 LOTS 23-24-25-26**

510 E Broad is vested in EE Property Owner's name, there are no title issues.

This property is a rental constructed on 4 lots; 14,000 square feet. The house is 918 square feet that includes a main area, open porch, a wood deck and a carport.

Purchase contract will include \$81.25K and a lot at 510 W 1st Street / BLOCK 80 LOT 10 (located adjacent to previous homestead exchange lot executed with Port Freeport).

Brazoria County CAD of 510 E Broad



Brazoria County CAD of 510 W 1st Street



PORT FREEPORT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
March 31, 2020

	YEAR	6	% OVER	TOTAL	TOTAL	
	TO DATE	MONTHS	(UNDER)	2020	2020	
		BUDGET		BUDGET	FCST	
OPERATING REVENUES:						
Wharfage	\$ 7,308,052	\$ 7,550,318	-3%	\$ 12,131,000	11,973,737	New projects and customers offset reductions for current customers
Dockage & deep water berth	2,325,170	2,443,794	-5%	4,887,600	4,958,823	
Equipment & pallet use fees	959,068	744,690	29%	1,489,400	1,758,000	Higher utilization of Gantry and Gottwald Cranes
Facility use fees	353,695	271,994	30%	560,000	850,000	
Security Fees	842,274	887,442	-5%	1,774,900	1,800,000	
Other Customer Service Fees	592,482	533,532	11%	1,067,100	1,135,557	
Ground leases	6,483,599	6,532,479	-1%	13,038,100	12,430,945	
Other leases	504,768	539,928	-7%	971,200	949,636	
Other revenue	3,497	12,498	-72%	25,000	6,994	
Total Operating Revenues	19,372,605	19,516,675	-1%	35,944,300	35,863,692	Based on ongoing dialogue with customer base.
OPERATING EXPENSES:						
						Comments
Port salaries/wages	1,636,995	1,906,130	-14%	3,792,200	3,612,200	3 Full Year Vacancies plus transitional timing of openings
Port employee benefits	582,693	695,186	-16%	1,509,900	1,437,900	40% of Vacancy rate, also note year end accruals of approx. \$550k
Professional services	937,503	1,681,010	-44%	2,651,600	2,289,600	Postponed Traffic Feasibility Study and add in board approved security enhancements
Training, travel, and promotional	215,923	372,183	-42%	707,300	527,300	Reduced commercial events, tech training events, sales promotion, advertising and travel
Supplies	81,139	83,410	-3%	166,000	162,278	
Utilities	303,862	304,070	0%	608,000	608,000	
Business Insurance	566,980	576,600	-2%	1,153,200	1,153,200	
Other services & charges	234,568	258,026	-9%	515,300	469,136	
Maintenance & repair	301,360	541,706	-44%	928,100	928,100	Bi-annual underwater berth inspection still to be completed
Depreciation	3,723,226	3,793,014	-2%	7,986,000	7,986,000	
Total Operating Expenses	8,584,249	10,211,335	-16%	20,017,600	19,173,714	
OPERATING INCOME (LOSS)	10,788,356	9,305,340	16%	15,926,700	16,689,978	Reinvested into capital supporting strategic initiatives

Port Freeport

Projected Cash Flow

March 31, 2020 - September 30, 2022

	\$M	
Cash and Cash Equivalents @ 3/31/2020	\$ 92.2	
Investments @3/31/2020	\$ 100.1	①②
Total Cash and Investments	\$ 192.3	
Restricted to Debt Service	\$ (16.6)	
Restricted to FHCIP	\$ (34.3)	Separate Cash Flow
Remaining 2018 Revenue Bond Funds	\$ (2.6)	Reserved for remainder of previous projects.
Funds Available for Projects	\$ 138.8	
M&O Tax Receipts through January 2021	\$ 4.0	
Operating Income before Depreciation - September 30, 2020	\$ 8.4	
Current Debt Service Payments - January 31, 2021	\$ (13.5)	
Project Payments - January 31, 2021	\$ (112.0)	③
Funds Available - January 31, 2021	\$ 25.7	February Project Payments Projected @ \$18.1M
2021 Revenue Bond Issuance	\$ 45.0	
M&O Tax Receipts through September 2021	\$ 1.4	
Operating Income before Depreciation - September 30, 2021	\$ 23.0	
Debt Service Payments - September 30, 2021	\$ (11.7)	
Project Payments - September 30, 2021	\$ (31.7)	
Funds Available - September 30, 2021	\$ 51.6	
M&O Tax Receipts - September 2022	\$ 3.0	
Operating Income before Depreciation - September 30, 2021	\$ 24.0	
Debt Service Payments - September 30, 2021	\$ (18.4)	
Project Payments - September 30, 2021	\$ (33.4)	
Funds Available - September 30, 2022	\$ 26.8	

① Reviewed quarterly w/ Finance Advisory Committee. Current maturity date range April - December

② Includes proceeds from 2018 Rev Bonds, 2019 GO Bonds and 2019 Rev Bonds and Capital Reserve

③ Includes Levee Stabilization, Berth 8, and all other non channel projects

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Freeport Harbor Channel Improvement Project

	Port 2020	Corps 2020	Port 2021	Corps 2021	Port 2022	Corps 2022	Port 2023	Corps 2023	Port 2024	Corps 2024	Totals
① Reach 3 Dredging	6,400,000	19,000,000									\$ 25,400,000
① Build PA8 placement area			6,000,000	6,000,000							\$ 12,000,000
① Reach 2 dredging			12,500,000	37,500,000							\$ 50,000,000
① Portion of Reach 1					28,800,000	40,890,000					\$ 69,690,000
① Portion of Reach 1							34,700,000	51,200,000			\$ 85,900,000
① Portion of Reach 1 and Reach 4									20,000,000	40,000,000	\$ 60,000,000
② PED Reach 1	6,000,000										\$ 6,000,000
② PED Reach 1	4,000,000										\$ 4,000,000
TOTALS	16,400,000	19,000,000	18,500,000	43,500,000	28,800,000	40,890,000	34,700,000	51,200,000	20,000,000	40,000,000	\$ 312,990,000
General Obligation Debt Funded	16,400,000		18,500,000		28,800,000		34,700,000		20,000,000		118,400,000
Total	16,400,000	19,000,000	18,500,000	43,500,000	28,800,000	40,890,000	34,700,000	51,200,000	20,000,000	40,000,000	312,990,000

- ① Non- Federal Sponsor - GO Bonds
- ② Work in kind accelerated funding

GO Bond Cash Flow

2019 Go Bond Funds	\$ 35.0
Reach 3 Dredging, 2020	\$ (6.4)
PED Reach 1, 2020	\$ (10.0)
Build Placement Area 8, 2021	\$ (6.0)
Reach 2 Dredging, 2021	\$ (12.5)
Remaining Funds	\$ 0.1
③ 2021 - 2024 GO Bond Issuance	\$ 83.4
2022 - 2024 Dredging Reach 1 & 4	\$ (83.5)
Project Complete	\$ -

③ Future GO Bonds will be issued based on timing needs and the commitment to maintain the current tax rate of \$.0401

Port Freeport Revenue Bonds Debt Projections

Operating Income ^①	Annual Coverage	w/Capital Lease Annual Coverage	
\$15,000,000	1.90x	1.71x	②
\$14,000,000	1.83x	1.65x	②
\$12,000,000	1.69x	1.53x	②

① Model assumes level Operating Income across bond term

② Coverage indicates low point of models provided by Masterson Advisors



1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023
WWW.PORTFREEPORT.COM

MEMORANDUM

TO: Commissioners

FROM: Chris Hogan, Director of Protective Services

DATE: May 11, 2020

SUBJECT: 2020 Budget Adjustment Request

To enhance security coverage and capabilities, staff is requesting a budget adjustment to the contract services general ledger account (5632-07) for Protective Services 2020 fiscal year budget. The request consists of the following two enhancements to Port Freeport's contract security:

1. Add 48 weekend hours per week for the Emergency Operation Center's (EOC) Communication Center, which will enable 24-7 dedicated coverage for crisis communication alerts, Security's 24-7 emergency line, and camera monitoring.
 - a. Target Date of Completion: June 1, 2020
 - b. 2020 Budget Adjustment: \$20,000
 - c. 2021 Budget Impact: \$155,000
2. Add 40 week-day hours per week for Gate 4 security operations to assist in handling the increased amount of gate traffic through Gate 4.
 - a. Target Date of Completion: June 1, 2020
 - b. 2020 Budget Adjustment: \$19,000
 - c. 2021 Budget Impact: \$46,000

Thank you for your consideration.

PORT COMMISSION

SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO